(ii) Along with the tax, interest at the rate of 12% per annum is also charged on the amount of tax not deducted or not deposited after deduction, from the date on which the tax was deductible to the date the same is deposited.

(iii) In case the deductor does not pay the amount of tax and interest, penalty for such non-payment may also be imposed.

(iv) For the recovery of the tax, interest and penalty levied on such defaulter, legal action for recovery including issue of notices, attachment of bank account, attachment and sale of movable and immovable property, etc. may also be taken.

In case of default in respect of non-payment of tax deducted at source to the credit of the Government, the defaulter is also liable for rigorous imprisonment for a term of three months to seven year, together with fine.

However, the number of entrepreneurs, hospitals, nursing homes and coaching institutes against whom such actions have been taken is not available.

Investment in PPF

1426. SHRI LALIT SURI: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to allow the Income Tax payers to invest total amount of Rupees One Lakh in the instruments of their choice, including the mutual funds investing in equity;

(b) if so, by when notification to that effect is likely to be issued;

(c) whether in view of the above position, those investing in PPF would also be allowed to invest upto one lakh in the said fund; and

(d) if not, the reasons for this discrimination?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) and (b) Section 80C inserted in the Income-tax Act by the Finance Act, 2005 provides for a deduction up to Rs. 1 lakh, from the income of an individual or Hindu undivided family, for investments made in the schemes specified therein. These

savings schemes include Equity Linked Savings Scheme, 2005 and the Public Provident Fund established under Public Provident Fund Scheme, 1968. The necessary notifications in this regard have already been issued.

(c) and (d) No, Sir. Those investing in the PPF cannot invest up to rupees one lakh as the PPF Scheme provides for a ceiling of Rs. 70,000/-for investment in the said fund.

Tax concessions for Food Processing Industry

1427. SHRI LALIT SURI: Will the Minister of FINANCE be pleased to state:

(a) whether a delegation of Food Processing Industry met the Prime Minister in September and submitted a memorandum for tax concessions for the industry;

(b) if so, the details of the demands submitted by the delegation; and

(c) the action taken by Government so far thereto/proposed to be taken in the near future?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) to (c) The information is being collected and will be laid on the Table of the House.

Fiscal deficit of States

1428. SHRI B. J. PANDA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Prime Minister has expressed concern about the country's financial health and has asked for control over the fiscal deficit of the Centre and States;

(b) what is the current fiscal deficit and what are the reasons of its unabated rise; and

(c) what is the action plan of Government to control this deficit both at the Centre and in the States?